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SENSITIVE

SIPDIS

DEPARTMENT FOR EUR/RUS

STATE PLS PASS USTR (EPORTER, BHAFNER, CKLEIN)

USDA FAS FOR OCRA (SALMON, KUYPERS) AND FOR OSTA (HAMILTON, BEAN)

VIENNA PLS PASS APHIS (TANAKA)

E.O. 12958: N/A

TAGS: [EAGR](#) [ETRD](#) [ECON](#) [WTO](#) [RS](#)

SUBJECT: RUSSIAN OFFICIALS TRY TO EXPLAIN RECENT VETERINARY LETTERS

REF: A. MOSCOW 2949

[1B.](#) MOSCOW 2788

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SUMMARY

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[¶1.](#) (SBU) On October 6, Chief Russian WTO Negotiator Maksim Medvedkov told us that he views the October 1 letter from the Russian Federal Veterinary and Phytosanitary Surveillance Service (VPSS) as a request for consultations on the effectiveness of the implementation of the November 2006 U.S.-Russia side letter on meat/poultry plant inspections, rather than an outright refusal to authorize U.S. meat facilities for export to Russia. Medvedkov also stated that the Ministry of Economic Development (MED) is still consulting with other ministries regarding the September 16 VPSS letter which questioned the continuing validity of the November 2006 U.S.-Russia Market Access Agreement and Side Letters. He noted that Economic Development Minister Nabiulliana and Agriculture Minister Gordeyev had discussed the issue, and in MED's view, the November 2006 agreements and side letters are still in force. Separately, Chief Veterinary Officer and VPSS Deputy Head Nikolay Vlasov told us that VPSS would not accept any relisting of facilities that had previously been removed from the list of authorized exporters, but it still might be possible to authorize new facilities for export.

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October 1 VPSS Letter: Just a Request for Consultations?  
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[¶2.](#) (SBU) In a meeting with Agriculture Minister-Counselor and EconOffs on October 6, Chief WTO Negotiator Maksim Medvedkov told us that he does not interpret the October 1 VPSS letter (Ref A) as an attempt to abrogate the November 2006 U.S.-Russia Market Access Agreement and Side Letters. Instead, he views the letter as a description of recent problems with the certification of U.S. meat/poultry exports, and an evaluation of the effectiveness of VPSS' cooperation with the U.S. Food Safety and Inspection Service (FSIS). He believed that the letter was intended to begin a consultative process to discuss and find solutions to outstanding problems in the current certification system for U.S. meat/poultry exports to Russia. Medvedkov added that VPSS had recently

entered into similar consultations on meat exports with the EU following a letter from VPSS.

¶ 13. (SBU) Embassy officers noted that we still considered the November 2006 agreement and side letters to be in force. When asked to clarify whether the October 1 VPSS letter meant that VPSS would no longer relist plants for export or add new plants to the list of authorized exporters, Medvedkov admitted there was some ambiguity in the letter and advised us to seek clarification from VPSS.

¶ 14. (SBU) Agriculture Minister-Counselor noted that it would be useful to discuss the effective implementation of our agricultural agreements, and USDA would certainly consider the request for consultations on the side letter after November 20, 2008. There were easy solutions to some issues in the VPSS letter, including the question of electronic notification of incoming shipments to Russia (the Russia e-mail box was full and not able to receive additional notifications). In other cases, the U.S. side was waiting for fuller explanations from VPSS about the nature of Russian concerns. For example, on the issue of alleged trace levels of arsenic and antibiotics in some tested samples of U.S. chicken, the U.S. side had not received an explanation of the scientific basis for Russian standards, which were stricter than either U.S. or international norms.

¶ 15. (SBU) Medvedkov acknowledged that some Russian food safety standards were not consistent with international norms. He noted that during plurilateral WTO accession negotiations in Geneva, Russia had proposed that trading partners identify

MOSCOW 00002979 002 OF 002

instances in which Russia's norms were inconsistent. After notification, VPSS could provide the scientific basis for Russian standards or eventually bring those standards into conformity with international norms. Medvedkov noted that under Russia's current legal regime, VPSS was under no obligation to provide a scientific rationale for its sanitary norms. However, he said that amendments to Russia's Law on Technical Regulations would hopefully be sent to the Duma in November, and would make Russian practice consistent with WTO rules on sanitary and phytosanitary measures (SPS) and technical barriers to trade (TBT).

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September 16 Letter: Crescendo of Protectionist Voices  
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¶ 16. (SBU) Medvedkov noted that Economic Development Minister Nabiullina had discussed the September 16 VPSS letter questioning the validity of the U.S.-Russia market access agreement and side letters with Agriculture Minister Gordeyev, but there was still no unified GOR position on this issue. He noted that MED had taken the position that the market access agreement and side letters were still in force and that there was an orderly procedure for officially withdrawing from a country-to-country agreement, which had not been followed by the GOR in this case. He expressed hope that "in the nearest future" either MED or VPSS could provide the U.S. side with further clarification on the meaning of the September 16 letter. Medvedkov admitted that an increasingly strong chorus of voices within the GOR had been arguing for a delay in the implementation of all of the commitments Russia had agreed to in advance of accession, until the actual date of WTO entry.

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VPSS: No More Relistings, But New Listings May be OK  
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¶ 17. (SBU) In a separate conversation with USDA/FAS officers, Chief Veterinary Officer and Deputy Head of VPSS Nikolay Vlasov implied that the decision to issue the October 1 VPPS letter had been made by more senior officials at the Agriculture Ministry and there was little he could do about

it. Vlasov said that, in his reading of the letter, VPSS would not be able to relist any plants that had previously been delisted for sanitary reasons. He believed that it would still be permissible for FSIS to request that new facilities be listed for export, although he would need to confirm that understanding with VPSS Head Sergey Dankvert.

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COMMENT  
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¶8. (SBU) The different interpretations of the October 1 VPSS letter that we received from Medvedkov and Vlasov make clear that there has been no coordination among ministries regarding VPSS actions. The VPSS is doing everything within its power to protect domestic poultry, pork and beef producers by restricting the flow of U.S. imports. Given that it has been over three weeks since the September 16 VPSS letter, MED either lacks sufficient power or is simply in no hurry to rein in the protectionist forces at the Agriculture Ministry. While it is encouraging that MED still considers our agreements to be in force, it is cold comfort at this point, given that VPSS is still free to disregard the procedures for listing and relisting plants that were established in the November 2006 side letter on meat inspections.

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